

# SENATE BILL 520

Q5

(6lr2319)

## ENROLLED BILL

— Budget and Taxation / Ways and Means —

Introduced by **Washington County Senators**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Washington County Board~~ **County Boards of Education – School Buses – Motor**  
3 **Fuel Tax Exemption and Refund**

4 FOR the purpose of exempting from the motor fuel tax certain motor fuel that is bought by  
5 a county board of education or a school bus operator under contract with a county  
6 board of education for use in ~~certain vehicles~~ a school bus; authorizing ~~the~~  
7 ~~Washington County Board of Education~~ a county board of education to claim a refund  
8 of motor fuel tax paid on motor fuel purchased for use in ~~vehicles~~ a school bus owned  
9 by the ~~Washington County Board of Education~~ county board; authorizing a school  
10 bus operator under contract with a county board of education to claim a refund of  
11 motor fuel tax paid on motor fuel purchased for use in ~~vehicles~~ a school bus used to  
12 transport the county's public school students; and generally relating to an exemption  
13 from and a refund of motor fuel tax ~~for the Washington County Board of Education~~  
14 ~~a county board of education~~ on motor fuel used to operate a school bus for a county  
15 board of education.

---

#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics indicate opposite chamber / conference committee amendments.*



1 BY repealing and reenacting, without amendments,  
 2 Article – Transportation  
 3 Section 11–153, 11–154, and 11–173  
 4 Annotated Code of Maryland  
 5 (2012 Replacement Volume and 2015 Supplement)

6 BY repealing and reenacting, with amendments,  
 7 Article – Tax – General  
 8 Section 9–303(d) and 13–901(f)  
 9 Annotated Code of Maryland  
 10 (2010 Replacement Volume and 2015 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 12 That the Laws of Maryland read as follows:

13 Article – Transportation

14 11–153.

15 “School bus” means a Type I school vehicle, as defined in this subtitle.

16 11–154.

17 (a) “School vehicle” means, except as provided in subsection (b) of this section, any  
 18 motor vehicle that:

19 (1) Is used regularly for the exclusive transportation of children, students,  
 20 or teachers for educational purposes or in connection with a school activity; and

21 (2) Is either:

22 (i) A Type I school vehicle, as defined in this subtitle; or

23 (ii) A Type II school vehicle, as defined in this subtitle.

24 (b) “School vehicle” does not include:

25 (1) A privately owned vehicle while it is carrying members of its owner’s  
 26 household and not operated for compensation; or

27 (2) A vehicle that is registered as a Class M (multipurpose) vehicle under §  
 28 13–937 of this article or a Class A (passenger) vehicle under § 13–912 of this article and used  
 29 to transport children between one or more schools or licensed child care centers or to and  
 30 from designated areas that are approved by the Administration if:

31 (i) The vehicle is designed for carrying 15 persons or less, including  
 32 the driver;



(i) aviation fuel, as defined in § 9–101 of this article, that is:

1. dispensed to aircraft by an aircraft manufacturing company located in the State; or

2. used:

A. by a person who engages in agricultural activities; and

B. in an aircraft that is used for agricultural purposes at least 70% of the time that the aircraft is used; or

(ii) motor fuel, as defined in § 9–101 of this article, that:

1. is used to operate:

A. a bus that is used only in the operation of a transportation system of a political subdivision of the State to transport the public on regular schedules between fixed termini, as defined in Title 11 of the Transportation Article;

B. farm equipment that is used for an agricultural purpose and is not registered to operate on a public highway;

C. fire or rescue apparatus or vehicles by a volunteer fire company or nonprofit volunteer rescue company incorporated in the State;

D. an internal combustion engine that is installed permanently at a fixed location; or

E. a vehicle that is owned and used by a Maryland chapter of the American Red Cross or a bona fide unit of a national veterans' organization;

2. is bought by:

A. the United States or a unit of the United States government;

B. the Department of General Services for use by State agencies; [or]

C. ~~THE WASHINGTON COUNTY BOARD OF EDUCATION A COUNTY BOARD OF EDUCATION FOR USE IN VEHICLES A SCHOOL BUS OWNED BY THE WASHINGTON COUNTY BOARD OF EDUCATION A COUNTY BOARD OF EDUCATION;~~  
**OR**

1 **D. A SCHOOL BUS OPERATOR UNDER CONTRACT WITH A**  
2 **COUNTY BOARD OF EDUCATION FOR USE IN ~~VEHICLES~~ A SCHOOL BUS USED TO**  
3 **TRANSPORT THE COUNTY'S PUBLIC SCHOOL STUDENTS; OR**

4 **E.** a person who is required to pay a tax on the same fuel to  
5 another state;

6 3. except for any operation of a motor vehicle on a public  
7 highway in the State, is used for a commercial purpose, including:

8 A. the operation of a vessel used only for commercial  
9 purposes;

10 B. commercial cleaning; or

11 C. commercial dyeing;

12 4. is used in any of the following vehicles that have pumping  
13 or other equipment mechanically or hydraulically driven by the engine that propels the  
14 vehicle:

15 A. a concrete mixing motor vehicle or concrete pump truck;

16 B. a motor fuel delivery vehicle;

17 C. a solid waste compacting vehicle;

18 D. a well-drilling vehicle; or

19 E. farm equipment registered as a vehicle for highway use  
20 that is designed or adapted solely and used exclusively for bulk farm spreading of  
21 agriculture liming materials, chemicals, or fertilizer;

22 5. is used by a system of transportation based in the State,  
23 in a vehicle that is used to provide transportation to elderly or low income individuals, or  
24 individuals with disabilities, if the system is operated by a nonprofit organization for  
25 purposes relating to the charge for which the nonprofit organization was established and  
26 the nonprofit organization:

27 A. is exempt for federal income tax purposes under § 501(c)  
28 of the Internal Revenue Code;

29 B. is funded to provide transportation to elderly or low  
30 income individuals, or individuals with disabilities;

1 C. receives part of its operating funding from the Maryland  
2 Department of Transportation or the Maryland Department of Health and Mental Hygiene;

3 D. has stated in its charter or bylaws that operating  
4 transportation services for elderly or low income individuals, or individuals with  
5 disabilities, is one of the purposes for which it was established; and

6 E. is actively operating a system of transportation for elderly  
7 or low income individuals, or individuals with disabilities; or

8 6. is lost as a result of fire, collision, or other casualty, except  
9 for loss in ordinary transportation and storage.

10 (2) A refund based on a claim under paragraph (1)(ii)4 of this subsection  
11 may not exceed the following percentages of the motor fuel tax paid:

12 (i) 35% for a concrete mixing vehicle or concrete pump truck;

13 (ii) 55% for farm equipment, registered as a vehicle for highway use,  
14 that is designed or adapted solely and used exclusively for bulk spreading of agriculture  
15 liming materials, chemicals, or fertilizers;

16 (iii) 10% for a motor fuel delivery vehicle;

17 (iv) 15% for a solid waste compacting vehicle; and

18 (v) 80% for a well-drilling vehicle.

19 (3) A person may not make a claim for a refund of motor fuel tax under  
20 paragraph (1)(ii)1B of this subsection for motor fuel used to operate a farm truck under the  
21 provisions of § 8-602(c) of the Transportation Article.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
23 1, 2016.

Approved:

---

Governor.

---

President of the Senate.

---

Speaker of the House of Delegates.